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**Firestone**

**1968 Annual Report**





### About the Covers

Firestone's new ultra-modern Computer and Data Processing Center, first of its kind in the rubber industry, was opened in Akron, Ohio, in October.

The Center, shown on the cover and above, is equipped with the latest computers and a modern

tele-data communications system. It operates 24 hours a day serving all areas of the Company including financial, marketing, distribution and production.



# 68th Annual Report

## The Firestone Tire & Rubber Company

1200 Firestone Parkway, Akron, Ohio 44317

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### FINANCIAL HIGHLIGHTS

	1968	1967
Net Sales	\$2,131,443,965	\$1,875,376,329
Net Income	127,034,657	102,349,310
Per cent to Net Sales	6.0%	5.5%
Cash Dividends	42,498,594	40,439,407
Per Share of Common Stock		
Net Income	4.32	3.53
Cash Dividends	1.45	1.40
Income Tax	4.07	2.94
Book Value	34.48	31.55
Working Capital	645,866,575	558,386,887
Current Ratio, Assets to Liabilities	2.6 to 1	2.6 to 1
Stockholders' Equity	1,010,479,332	915,280,786
Wages, Salaries and Employee Benefits	656,669,973	544,830,570
Depreciation	72,481,659	66,645,404
Expenditures for Property, Plants and Equipment	199,087,901	139,944,568



## Report to Stockholders



Raymond C. Firestone, chairman and chief executive officer, and Earl B. Hathaway, president.

On behalf of the Board of Directors, we present the consolidated statement of our Company and its subsidiaries for the fiscal year ended October 31, 1968.

The fiscal year marked a great milestone for Firestone as net sales soared over the two-billion-dollar level for the first time, and net income reached a record high.

The Company reached the two-billion-dollar sales level just 15 years after achieving its first one-billion-dollar sales year.

Net sales amounted to \$2,131,443,965, compared with \$1,875,376,329 last year. Net income was \$127,034,657, up from last year's \$102,349,310. Net income was equivalent to \$4.32 per share of Common Stock as compared to \$3.53 in 1967. Common Stock cash dividends, increased in July from an annual rate of \$1.40 to \$1.50 per share, amounted to \$42,498,594.

At a special meeting of the stockholders of the Company held April 30, 1968, an amendment to the Articles of Incorporation, releasing

the Company's Common Stock from pre-emptive rights, was adopted. This action improved the Company's ability to meet future capital requirements in expanding our business in the United States and abroad.

In May, 1968, a newly-formed, wholly-owned subsidiary, Firestone Overseas Finance Corporation, sold outside the United States and Canada five per cent coupon convertible debentures due 1988 in the principal amount of \$60,000,000. These debentures, which may be converted on and after December 31, 1968 into 1,021,276 shares of the Company's Common Stock at \$58.75 per share, are guaranteed by the Company as to payment of principal, interest and certain other matters. These funds permit the continued expansion of our foreign operations in a manner consistent with the United States Government's balance of payments regulations. A substantial portion of the net proceeds of these Euro-Dollar debentures is presently on deposit at interest in banks abroad pending utilization by the

Company in foreign expansions and marketing developments.

Net income of foreign subsidiaries amounted to \$30,623,507, compared with \$26,537,895 for the previous fiscal year. The consolidated balance sheet includes net assets in foreign countries in the amount of \$259,482,806 on October 31, 1968, compared with \$239,862,918 on October 31, 1967.

To meet the current demand for our products, as well as to prepare for future needs in our industry, capital expenditures for new facilities, additions and improvements were a record \$199,087,901 compared with \$139,944,568 in 1967. Depreciation of \$72,481,659 was provided, compared with \$66,645,404 last year.

On October 31, 1968, working capital was \$645,866,575 up from the \$558,386,887 on October 31, 1967. Long term debt in the amount of \$4,175,000 was redeemed in 1968 under the debenture sinking fund requirements.

Interim loans of \$60,000,000 were obtained during the year from several banks located in the United States under the terms of a credit agreement which provides for maximum loans of \$100,000,000. The interim loans, together with the remaining \$40,000,000 available under the agreement can be converted into term loans repayable in fourteen semi-annual installments through December 31, 1975. The \$4,200,000 installment due June 30, 1969 is included in long-term debt due within one year.

During the year, Industrial Revenue Bonds totaling \$53,000,000 were issued by the Albany Dougherty Payroll Development Authority to provide funds for construction of a tire plant in Albany, Georgia, which is leased to the Company. This plant and other manufacturing facilities financed similarly in 1967 are being accounted for as Company-owned facilities.

Taxes totaled \$339,161,718, of which \$119,700,000 were income taxes; \$175,519,318



excise taxes; \$24,710,932 social security taxes; and \$19,231,468 property and miscellaneous taxes.

Wages, salaries and employee benefits totaled \$656,669,973. Employee benefits include pension plans covering the majority of our employees. The total cost of these plans for the year was \$26,352,262, which includes amortization of prior service cost over a period of 30 years. Pension costs accrued are being funded by payments to trustees. The actuarially computed value of vested benefits for the plans, as of the latest valuation date, exceeded the total of the pension funds by approximately \$84,000,000.

We are pleased to report that nearly 9,000 employees are acquiring shares of Firestone Common Stock through stock purchase plans which were started during the year. These plans enable employees to make monthly investments in Common Stock through regular payroll deductions. Stock for these plans is being provided by purchases on the open market.

The Company's Incentive Compensation Plan provides compensation for executives and key employees who, in the opinion of the Incentive Compensation Committee, have made important contributions to the efficient and profitable operation of the Company. The total amount available for the Plan is contingent upon the Company's earnings. Provision under the Plan in 1968 resulted in a charge to income before tax of \$3,800,000. Part of this amount will be distributed in cash and part in Common Stock of the Company, purchased on the open market.

On November 1, 1967, 459,126 shares of Common Stock were reserved for outstanding options and 601,475 shares were reserved for granting additional options under the 1960 Employees' Incentive Stock Option Plan approved by the Stockholders on January 16, 1960. During the year ended October 31, 1968, options for 192,370 shares were granted at an average price of \$54 per share and options for 124,684 shares were exercised at an average price of \$35 per share. Options for 5,763 shares were cancelled. On October 31, 1968, 521,049 shares were reserved for outstanding options and 414,868 shares were reserved for granting additional options which can be granted until December 31, 1969 when the Plan terminates.

Several factors are responsible for the year's achievements: expanded research and development programs; record capital expenditures in recent years which provided necessary facilities to meet demands for our products; accelerated expansion of marketing both here and abroad; and the outstanding performance of all Firestone men and women.

Several revolutionary breakthroughs in tire design and processing were announced during the year. These included the development of the New Concept Tire, known as the LXX, tire of the 1970's; the calendered sheet tread process, an entirely new method of adding tread to tires; and the bead and ply assembly system which will automate tire building. The automated system is the biggest advancement in

tire making in 50 years. The first production unit is scheduled to start pilot operations at Akron in January.

An ultra-modern computer and data processing center was constructed in Akron to provide centralized computer control. In addition to meeting corporate scientific, technical and financial requirements, the computers form a link to Firestone installations across the country to provide up-to-the-minute information on production, warehousing and availability of tires.

In the United States, several other new facilities went into operation during the year. These were a tire plant in Albany, Georgia; a textiles plant in Bowling Green, Kentucky; a semi-pneumatic tire plant in Newport, Tennessee; a plastics resins plant in Perryville, Maryland; and a technical center in Hopewell, Virginia. The Ravenna, Ohio, army ammunition plant, which Firestone has managed for the government, was reactivated.

On November 1, 1967, Firestone acquired for 389,905 shares of Firestone Common Stock and cash the assets of a group of companies that operate seven plants in Michigan and two plants in Canada for the production of seat belts, shoulder harnesses and retractors for auto manufacturers.

In Akron, construction began on a two-story addition to Plant 2; and a new polyurethane foam products plant is being built in Corry, Pennsylvania.

A steel products plant in London, Ontario, was opened and tire plants at Boras, Sweden, and Bonsaso, Ghana, are scheduled to open by early 1969. In Rome, Italy, plans have been completed for construction of Firestone Europa headquarters, which will serve as a research, development, administrative and sales center for our European operations.

New stores and dealers were added to keep pace with growing markets for Firestone products in the United States and overseas. Sales operations and merchandising programs were streamlined to strengthen our retail operations. These programs were augmented with aggressive advertising and public relations programs.

Credit for our record sales year is shared with the thousands of loyal Firestone men and women. The performance of these dedicated employees and dealers who develop, manufacture and market our products was exceptional. To them we express our sincere appreciation.

With the assistance of our employees, the Profit Improvement Program started in 1966 again proved to be a significant factor in our high performance year. This program will continue to operate in all areas of our business and should be even more beneficial in the future.

In accordance with our Company's retirement policy, Harvey S. Firestone, Jr., is retiring from service as a director at the end of his term in January, 1969. He has been a member of the board since 1919. Few corporate directors in American industrial history have served a corporation as long or as ably as Harvey S. Firestone, Jr., has served our Company. He has been its president and chairman of its board, and for seventeen years was its chief executive officer. Because of the length and the level of his service to the Company, the board has honored him by designating him an honorary director at the end of his present term.

In January, Elton H. Schulenberg retired as executive vice president after 41 years of loyal and effective service to the Company. He continues to serve as a member of the board of directors. In March, the board elected Kenneth W. Reese an assistant treasurer.

At the November, 1968, meeting of the board of directors, Robert P. Beasley, vice president and member of the board, was elected an executive vice president. He continues to serve as the Company's chief financial officer.

Key indicators of business continue to point upward in all areas of our diversified business operations. Forecasts indicate that automotive sales in the United States will rise in 1969, bringing the total of cars and trucks on United States highways to nearly 96 million, a new record. Next year for the first time there will be more vehicles in the rest of the world than in the United States. This points to worldwide record shipments of both replacement and original equipment tires and other automotive products.

The Company has made detailed market studies and projections for the next five years and formal long-range plans have been developed. We feel these plans, coupled with effective management, will continue to produce excellent sales and earnings in the coming years.

Respectfully submitted,

*Raymond C. Firestone*

Chairman

*Earl B. Hartman*

President

December 17, 1968



# The Firestone Tire & Rubber Company

## Consolidated Balance Sheet

October 31, 1968 and 1967

ASSETS	1968	1967
<b>Current Assets</b>		
Cash	\$ 56,865,042	\$ 53,564,848
Marketable Securities, at Cost	23,112,806	17,979,264
Accounts and Notes Receivable, Less Reserves	489,014,304	417,069,970
Inventories, at Lower of Average Cost or Market		
Raw Materials and Supplies	\$ 119,900,852	\$ 108,816,676
In-Process Products	39,076,853	30,302,281
Finished Goods	328,558,241	288,837,954
Total Inventories	\$ 487,535,946	\$ 427,956,911
Total Current Assets	\$1,056,528,098	\$ 916,570,993
<b>Other Assets</b>		
Funds Held by Trustees for Domestic Plant Construction	\$ 39,798,386	\$ 34,033,636
Time Deposits for Foreign Projects	58,997,591	—
Investments, at Cost and Miscellaneous Assets	31,190,288	30,924,374
Prepaid Expenses and Deferred Charges	13,038,876	9,134,424
	\$ 143,025,141	\$ 74,092,434
<b>Property, Plants and Equipment, at Cost</b>		
Land and Improvements	\$ 38,403,204	\$ 29,188,096
Buildings and Building Fixtures	267,001,751	226,447,241
Machinery and Equipment	927,502,551	810,599,164
	\$1,232,907,506	\$1,066,234,501
Less: Accumulated Depreciation	549,815,170	506,495,512
	\$ 683,092,336	\$ 559,738,989
	<u>\$1,882,645,575</u>	<u>\$1,550,402,416</u>

## LIABILITIES

1968

1967

**Current Liabilities**

Foreign Bank Loans	\$ 80,466,284	\$ 75,958,885
Accounts Payable and Accrued Items	219,018,108	189,488,195
Long-Term Debt Due Within One Year	5,132,130	—
United States and Foreign Taxes on Income	106,045,001	92,737,026
Total Current Liabilities	\$ 410,661,523	\$ 358,184,106

**Long-Term Debt**

Debentures, Less Principal Amount Held in Treasury: 1968—\$9,017,000 and 1967—\$8,104,000		
2½% Due January 1, 1972	\$ 4,092,000	\$ 5,385,000
3¼% Due May 1, 1977	39,877,000	41,086,000
4¼% Due July 1, 1988	72,414,000	75,000,000
Domestic Bank Loans, 5¼%	55,800,000	—
Industrial Revenue Bonds Due 1970-1992	95,000,000	42,000,000
Foreign Long-Term Loans Due 1970-1990	78,893,198	73,775,026
5% Convertible Euro-Dollar Debentures Due May 1, 1988	60,000,000	—
	\$ 406,076,198	\$ 237,246,026

**Reserves**

Foreign Investments and Other Risks	\$ 2,700,000	\$ 2,700,000
Deferred Income Taxes	29,900,000	22,800,000
	\$ 32,600,000	\$ 25,500,000

**Minority Interest in Subsidiary Companies**

\$ 22,828,522	\$ 14,191,498
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**Stockholders' Equity**

Preferred Stock (Cumulative), Par Value \$100 per Share, Authorized 150,000 Shares, None Issued		
Common Stock, Authorized 36,000,000 Shares (935,917 Shares reserved for employees' options and 1,021,276 Shares reserved for conversion of debentures) without Par Value:		
Shares Issued: 1968—29,522,465 and 1967—29,007,876	\$ 61,505,135	\$ 60,433,075
Additional Capital	177,540,817	156,114,323
Retained Earnings	783,269,451	698,733,388
Total	\$1,022,315,403	\$ 915,280,786
Less: Treasury Stock (217,617 Shares) at Cost	11,836,071	—
Total Stockholders' Equity	\$1,010,479,332	\$ 915,280,786
	<u>\$1,882,645,575</u>	<u>\$1,550,402,416</u>



## Consolidated Income Statement

For the Years Ended October 31, 1968 and 1967

	1968	1967
<b>Net Sales</b> _____	\$2,131,443,965	\$1,875,376,329
Other Income _____	17,857,982	10,629,995
	<u>\$2,149,301,947</u>	<u>\$1,886,006,324</u>
Less:		
Cost of Goods Sold _____	\$1,428,504,511	\$1,280,754,270
Depreciation _____	72,481,659	66,645,404
Selling, Administrative and General Expenses _____	373,205,139	331,192,953
Interest and Debenture Discount and Expense _____	24,751,578	16,580,085
Miscellaneous Deductions _____	1,685,169	1,537,366
Minority Interests in Income of Subsidiary Companies _____	1,939,234	1,646,936
Domestic and Foreign Taxes on Income (including provision for deferred taxes: 1968—\$7,100,000 and 1967—\$6,500,000) _____	119,700,000	85,300,000
	<u>\$2,022,267,290</u>	<u>\$1,783,657,014</u>
<b>Net Income</b> _____	<u>\$ 127,034,657</u>	<u>\$ 102,349,310</u>
<b>Per Share of Common Stock</b> _____	<u>\$4.32</u>	<u>\$3.53</u>

## Retained Earnings

	1968	1967
Balance at Beginning of Year _____	\$698,733,388	\$636,823,485
Net Income for the Year _____	127,034,657	102,349,310
	<u>\$825,768,045</u>	<u>\$739,172,795</u>
Cash Dividends Paid on Common Stock \$1.45 per Share in 1968 and \$1.40 per Share in 1967 _____	42,498,594	40,439,407
Balance at End of Year _____	<u>\$783,269,451</u>	<u>\$698,733,388</u>

## Additional Capital

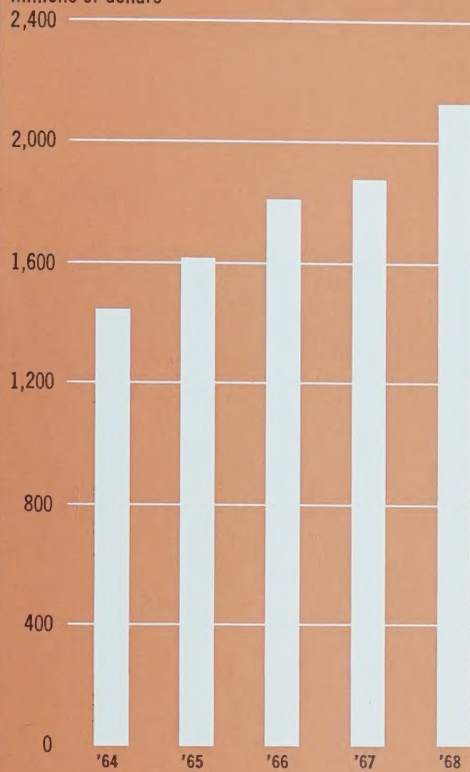
	1968	1967
Balance at Beginning of Year _____	\$156,114,323	\$152,243,100
Excess of Proceeds over Stated Value from Sales of Common Stock Under the Incentive Stock Option Plan _____	4,108,213	3,871,223
Excess of Market Value over Stated Value of Common Stock Issued in Acquisition of Hamill Manufacturing Co., Inc. (389,905 shares) _____	17,318,281	—
Balance at End of Year _____	<u>\$177,540,817</u>	<u>\$156,114,323</u>



## Five-Year Trends

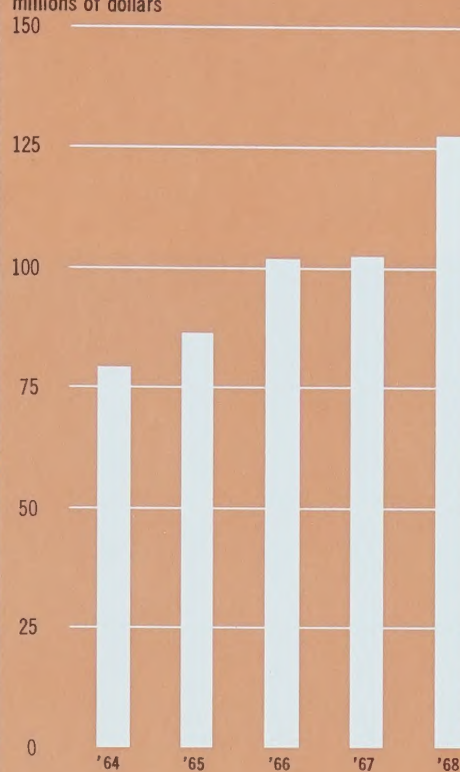
NET SALES

millions of dollars



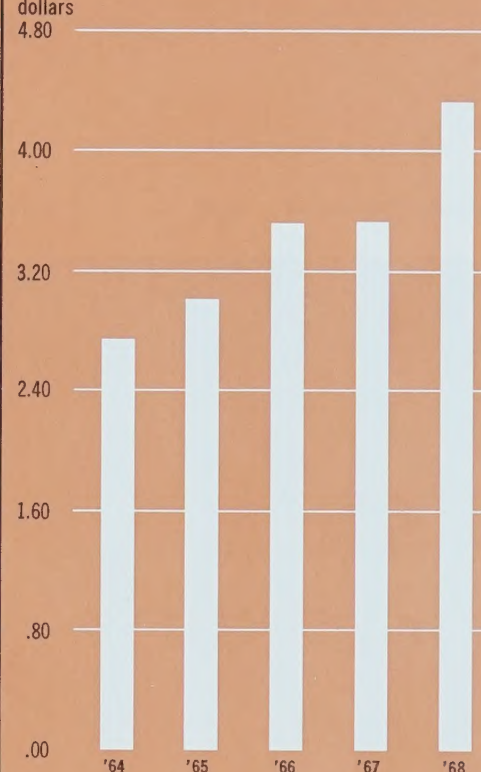
NET INCOME

millions of dollars



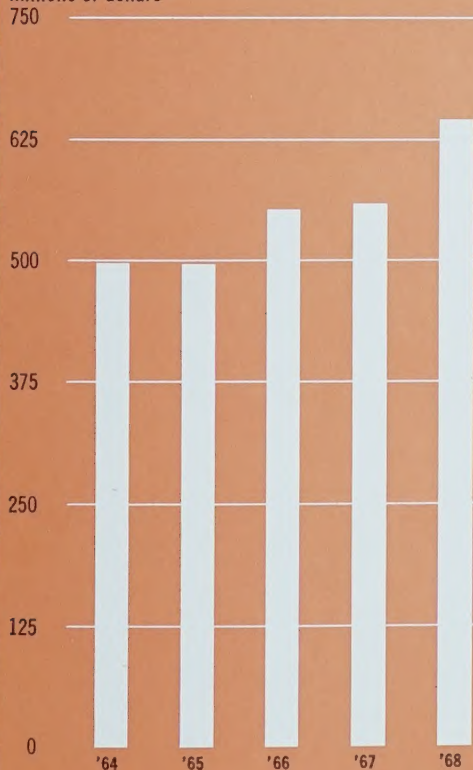
NET INCOME PER SHARE

dollars



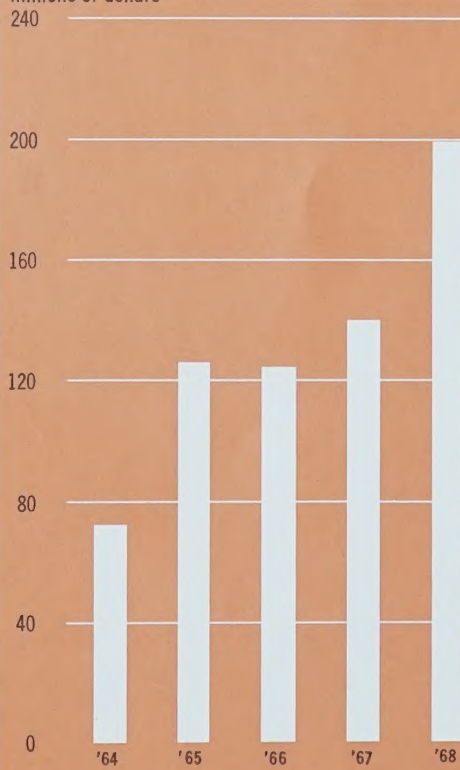
WORKING CAPITAL

millions of dollars



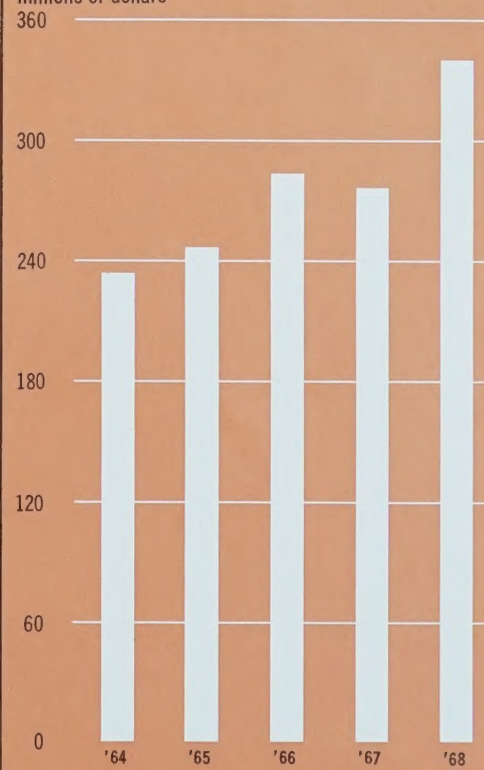
CAPITAL EXPENDITURES

millions of dollars



ALL TAXES

millions of dollars





## Ten-Year Financial and Operating Summary

Dollars in Thousands

1968

1967

Sales and Earnings		
Net Sales	\$2,131,444	\$1,875,376
Net Income	\$ 127,035	\$ 102,349
Per Cent to Net Sales	6.0%	5.5%
Retained Earnings	\$ 84,536	\$ 61,910
Wages, Salaries and Employee Benefits	\$ 656,670	\$ 544,831
Taxes	\$ 339,162	\$ 275,231
Depreciation	\$ 72,482	\$ 66,645
Common Stock		
Stockholders' Equity	\$1,010,479	\$ 915,281
Cash Dividends	\$ 42,499	\$ 40,439
Per Share		
Net Income*	\$4.32	\$3.53
Dividends—Cash**	\$1.45	\$1.40
—Stock	—	—
Income Tax*	\$4.07	\$2.94
Book Value	\$34.48	\$31.55
Shares Outstanding**	29,304,848	29,007,876
Number of Stockholders	34,218	27,168
Financial Position		
Total Assets	\$1,882,646	\$1,550,402
Working Capital	\$ 645,867	\$ 558,387
Current Ratio, Assets to Liabilities	2.6 to 1	2.6 to 1
Property, Plants and Equipment		
Net Value at Year End	\$ 683,092	\$ 559,739
Additions During Year	\$ 199,088	\$ 139,945
Long-Term Debt	\$ 406,076	\$ 237,246

\*Based on Average Number of Shares Outstanding Adjusted for Stock Split and Stock Dividends.

\*\*Adjusted to reflect Three-for-One Stock Split of January 25, 1960.



1966	1965	1964	1963	1962	1961	1960	1959
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\$1,814,592	\$1,609,756	\$1,448,830	\$1,382,049	\$1,277,691	\$1,182,695	\$1,207,247	\$1,187,784
\$ 101,765	\$ 86,667	\$ 79,030	\$ 63,384	\$ 60,034	\$ 63,629	\$ 65,029	\$ 64,596
5.6%	5.4%	5.5%	4.6%	4.7%	5.4%	5.4%	5.4%
\$ 64,336	\$ 52,191	\$ 47,469	\$ 35,303	\$ 32,503	\$ 36,646	\$ 38,581	\$ 42,140
\$ 530,880	\$ 471,858	\$ 417,179	\$ 400,984	\$ 369,434	\$ 329,479	\$ 338,996	\$ 314,407
\$ 283,413	\$ 245,527	\$ 232,585	\$ 213,441	\$ 198,619	\$ 169,486	\$ 156,124	\$ 152,486
\$ 62,025	\$ 54,960	\$ 54,207	\$ 52,452	\$ 50,271	\$ 49,067	\$ 45,729	\$ 40,661

\$ 849,242	\$ 782,658	\$ 728,094	\$ 678,885	\$ 643,292	\$ 610,195	\$ 572,773	\$ 532,837
\$ 37,429	\$ 34,475	\$ 31,560	\$ 28,080	\$ 27,531	\$ 26,983	\$ 26,421	\$ 22,381
\$3.52	\$3.01	\$2.75	\$2.21	\$2.09	\$2.22	\$2.27	\$2.26
\$1.30	\$1.20	\$1.10	\$1.00	\$1.00	\$1.00	\$1.00	\$0.86 $\frac{2}{3}$
—	—	—	2%	2%	2%	2%	2%
\$2.85	\$2.36	\$2.56	\$2.43	\$2.23	\$2.20	\$2.28	\$2.44
\$29.40	\$27.16	\$25.33	\$23.66	\$22.43	\$21.29	\$20.01	\$18.66
28,884,400	28,817,237	28,743,293	28,688,907	28,117,506	27,548,361	26,976,405	26,382,096
28,236	28,300	28,631	28,630	26,446	24,202	20,396	16,870

\$1,416,740	\$1,259,975	\$1,111,658	\$1,000,284	\$ 930,964	\$ 879,534	\$ 840,444	\$ 802,063
\$ 553,108	\$ 498,779	\$ 498,891	\$ 468,914	\$ 392,191	\$ 383,731	\$ 380,643	\$ 394,491
2.7 to 1	2.7 to 1	3.2 to 1	3.9 to 1	2.9 to 1	3.1 to 1	3.2 to 1	3.6 to 1
\$ 488,029	\$ 429,015	\$ 360,735	\$ 344,289	\$ 302,916	\$ 293,202	\$ 273,738	\$ 244,034
\$ 124,652	\$ 126,079	\$ 72,261	\$ 94,854	\$ 62,865	\$ 70,870	\$ 82,811	\$ 48,476
\$ 202,777	\$ 156,586	\$ 143,255	\$ 143,213	\$ 72,310	\$ 75,985	\$ 76,900	\$ 91,750



## Statement of Source and Disposition of Funds

For the Years Ended October 31, 1968 and 1967

	1968	1967
<b>Source of Funds</b>		
From Operations		
Net Income	\$127,034,657	\$102,349,310
Depreciation	72,481,659	66,645,404
Deferred Income Tax	7,100,000	6,500,000
Total from Operations	\$206,616,316	\$175,494,714
Proceeds from Long-Term Debt	168,830,172	34,468,745
Exchange of Common Stock for Assets of Hamill Manufacturing Co., Inc.	18,130,582	—
Sale of Common Stock Under the Incentive Stock Option Plan	4,367,972	4,128,465
Minority Interest in Subsidiary Companies	8,637,024	3,550,578
Miscellaneous Items	—	2,053,519
Total	<u>\$406,582,066</u>	<u>\$219,696,021</u>
<b>Disposition of Funds</b>		
Payment of Cash Dividends	\$ 42,498,594	\$ 40,439,407
Expenditures for Property, Plants and Equipment	199,087,901	139,944,568
Proceeds from Industrial Revenue Bonds and Euro-Dollar Debentures Deposited with Trustees and Foreign Banks	64,762,341	34,033,636
Purchase of Treasury Stock	11,836,071	—
Additional Working Capital	87,479,688	5,278,410
Miscellaneous Items	917,471	—
Total	<u>\$406,582,066</u>	<u>\$219,696,021</u>

### Accountants' Report

#### LYBRAND, ROSS BROS. & MONTGOMERY

CERTIFIED PUBLIC ACCOUNTANTS

**To the Board of Directors and Stockholders,  
The Firestone Tire & Rubber Company:**

We have examined the consolidated balance sheet of The Firestone Tire & Rubber Company and subsidiary companies as of October 31, 1968 and the related statements of income, retained earnings, additional capital and source and disposition of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We previously examined and reported on the consolidated financial statements of the Company and subsidiaries for the year ended October 31, 1967.

In our opinion, the above-mentioned consolidated financial statements, together with the related information contained in the company's Report to Stockholders, present fairly the consolidated financial position of The Firestone Tire & Rubber Company and subsidiary companies at October 31, 1968 and 1967, and the consolidated results of their operations and the source and disposition of funds for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Cleveland, Ohio,  
December 17, 1968

*Lybrand, Ross Bros. & Montgomery*



## DIRECTORS

Raymond C. Firestone  
*Chairman*  
 Harvey S. Firestone, Jr.  
*Honorary Chairman*  
 Earl B. Hathaway  
 Elton H. Schulenberg  
 Robert D. Thomas

Robert P. Beasley  
 Leonard K. Firestone  
 Roger S. Firestone  
 George F. Karch  
 John F. Floberg  
 Louis J. Campbell  
 Herbert H. Wiedenmann

## OFFICERS

Raymond C. Firestone, *Chairman and Chief Executive Officer*  
 Earl B. Hathaway, *President*  
 Robert D. Thomas,  
*Executive Vice President*  
 Robert P. Beasley,  
*Executive Vice President*  
 Louis J. Campbell, *Vice President*  
 Edward F. Carter, *Vice President*  
 Mario A. DiFederico, *Vice President*  
 John F. Floberg, *Vice President, Secretary and General Counsel*  
 George D. Hitler, *Vice President*  
 Robert W. Koch, *Vice President*  
 Joseph A. Meek, *Vice President*

Arthur N. Stuart, *Vice President*  
 Herbert H. Wiedenmann, *Vice President*  
 Elden H. Eaton, *Treasurer*  
 John G. Stoneburner, *Comptroller*  
 Reid J. Montgomery, *Assistant Treasurer*  
 Kenneth W. Reese, *Assistant Treasurer*  
 Russell E. Simmons, *Assistant Treasurer*  
 Stanley M. Clark, *Assistant Secretary*  
 Henry L. Houst, *Assistant Secretary*  
 Harold J. Brandenburg, *Assistant Comptroller*  
 Richard C. Clevenger, *Assistant Comptroller*  
 Robert E. Linder, *Assistant Comptroller*  
 John K. Smucker, *Assistant Comptroller*

## DIVISION PRESIDENTS

William J. Boyd  
 Xylos Rubber Company  
 James L. Cumming  
 The Seiberling Tire & Rubber Company  
 Mario A. DiFederico  
 Firestone International Company  
 Leonard K. Firestone  
 Firestone Tire & Rubber Company  
 of California  
 Roger S. Firestone  
 Firestone Plastics Company  
 Arvid G. Lund  
 Firestone Natural Rubber & Latex Company  
 Edward J. Mara, Jr.  
 Firestone Coated Fabrics Company

Robert W. Rice  
 Firestone Synthetic Fibers & Textiles  
 Company  
 Richard A. Riley  
 Firestone Steel Products Company  
 Charles W. Rippey  
 Firestone Industrial Rubber Products  
 Company  
 Thomas E. Salisbury  
 Firestone Synthetic Rubber & Latex  
 Company  
 James R. Thomas  
 The Dayton Tire & Rubber Company  
 William A. Voorhees  
 Electric Wheel Company  
 Don L. Weihe  
 Hamill Manufacturing Company

## TRANSFER AGENTS

First National City Bank, New York  
 The Firestone Tire & Rubber Company,  
 Akron

## REGISTRARS

Bankers Trust Company, New York  
 The Firestone Bank, Akron

## AUDITORS

Lybrand, Ross Bros. & Montgomery



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**Board of Directors**

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During the year, the board of directors met at the Dayton, Ohio, and the Des Moines, Iowa, plants. Directors are shown as they reviewed operations. ABOVE—Harvey S. Firestone, Jr., (left) and Raymond C. Firestone.

ABOVE RIGHT—Robert D. Thomas (left) and Earl B. Hathaway.

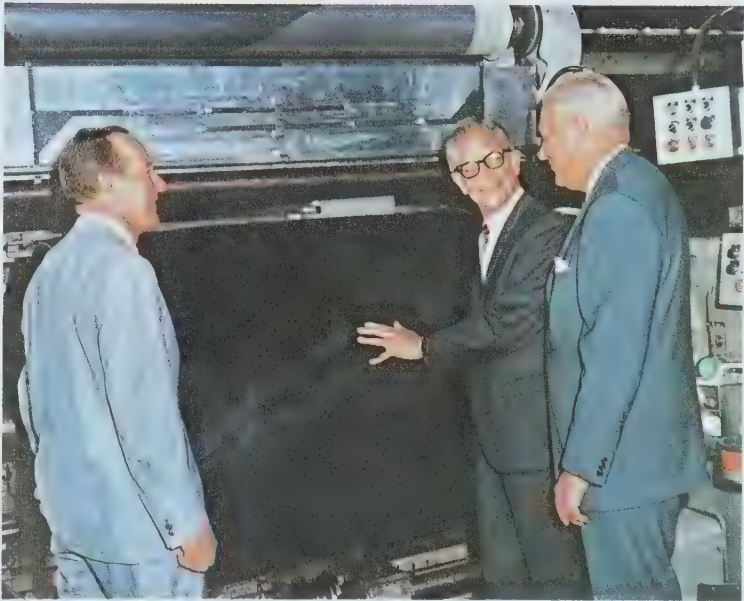
RIGHT—From left, Roger S. Firestone, George F. Karch and Louis J. Campbell.







ABOVE—Robert P. Beasley (left) and Elton H. Schulenberg.



ABOVE RIGHT—From left, Leonard K. Firestone, Herbert H. Wiedenmann and John F. Floberg.



## Other Officers



ABOVE LEFT—Vice Presidents Edward F. Carter (left), Mario A. DiFederico and Arthur N. Stuart, (seated).

ABOVE—Elden H. Eaton (left), treasurer, and John G. Stoneburner, comptroller.

LEFT—From left, Robert W. Koch, George D. Hitler and Joseph A. Meek, vice presidents.



RIGHT—Firestone customers often take advantage of an opportunity to visit facilities in Akron and get a first-hand look at new products, equipment and techniques. Here, a group visits the central research laboratory's analog computer operation.



## Research and Tire Development

Another was the development of a new thermo-setting plastic resin that holds great promise for applications in the automotive, boat and electrical industries, among others. The new resin has greater resistance to heat and moisture and better electrical properties than resins currently in use. This new product is being evaluated by several companies.

Use of both analog and digital computers in research projects is saving hundreds of man-hours in interpreting results from instruments and testing machines. They also hold great promise in speeding future research projects to successful conclusions.

A leader in specialized testing equipment, the central research laboratories created several new instruments which provide faster and more accurate laboratory and in-use evaluations of heat build-up and flexing resistance in tire cord and rubber materials.

New methods and miniature devices were developed to measure cord forces and body temperatures in tires running under heavy loads at speeds up to 100 miles per hour.

Projects at Radiation Processing, Inc., a

company jointly owned by Firestone and Radiation Dynamics, Inc., have led to potentially lower-cost methods of processing, by radiation, products in the Firestone line.

During the year, the central research division was granted 20 U.S. patents and announced a record of 130 patent disclosures—the results of the laboratories' emphasis on fundamental research.

### RESEARCH

Research is considered at Firestone to be the cornerstone to future progress. Important advancements were made in several areas during the year as scientists at the central research laboratories continued their search for new materials and products, more efficient and lower-cost manufacturing methods, and even greater product quality.

Outstanding scientific breakthroughs in 1968 included a new process which lowered the manufacturing cost of butadiene, a vital raw material in synthetic rubber production.

### TIRE DEVELOPMENT

Just two years after the introduction of the Super Sports Wide Oval tire, the Company introduced another revolutionary tire design for the 70's, the LXX tire and wheel concept. Heralded by the automotive press as the "forerunner of the next generation in tire safety," and "the most outstanding product breakthrough in the tire industry in 25 years," the new concept is drastically different in construction and appearance than any present day tire. It has a low section height





and fits on a narrow, larger diameter rim. Both sidewalls curve inward toward the narrower wheel until the lower part of these sidewalls becomes almost horizontal.

The new LXX concept tires and wheels will be available in the replacement market in 1969 and as optional equipment on some 1970 models offering car owners added safety and beauty.

Shipments of the wide oval concept tires rose 10 per cent last year over 1967. The Company has now introduced 10 different types of these tires including the new Wide Oval Sup-R-Belt, a premium priced, belted-bias construction tire with a fiberglass belt and polyester cord in the body of the tire.

Other new designs introduced included the Deluxe Champion Wide Oval with polyester cord; three new Town & Country tires for winter driving; and the California 500, designed especially for operation in our most populous state.

Late in the year, engineers also developed and are putting in production the Supreme Wide Oval Radial, a new top of the line tire adapting all the Wide Oval advantages of traction, safety, handling and stability to a premium quality radial type construction.

The development engineers extended use of the computer in designing tread patterns and compounds; and in combination with the numerically-controlled drafting machine, the computer is used for drafting, mold specifications and to obtain other graphic materials.

The 50.00-39 Super Deep Tread Loader-Dozer, world's heaviest tire weighing 6,300 pounds, was introduced for off-the-highway and earthmoving vehicles. A new all-wheel position truck tire, the Transport 150, was also put into production. It provides the trucking industry with a new tire at lowest cost per mile.

A giant tractor tire for use on the newest high horsepower tractors was also introduced. These Firestone tires, with the latest 23-degree angle traction bars, are nearly six feet in diameter, and are the largest ever produced for the farm equipment industry.

The Company continues as a leader in the development of tires for special jobs. During the year, Firestone tires were selected for use on the modern mass transit system being built at the Tampa International Airport, and a new aircraft tire design was approved for the DC8-63 plane.

Many new tires were also designed for private brand customers.

Test track facilities at Fort Stockton, Texas, were modernized and new traction testing facilities, including a hydroplaning trough, were put into operation. Tire test capacity at the indoor test laboratory in Akron, Ohio, was increased by 20 per cent.



LEFT—A new concept in tires, the LXX, tire of the '70's, was unveiled in June. This complete new package of tire and wheel is substantially different than current tires and wheels in both construction and shape and is engineered for greater safety and better handling.

RIGHT—Firestone Country Club in Akron, Ohio, was the scene of several major televised golf tournaments again in 1968. The championship course is made available for these events as one of the Company's many public service and community relations programs.



## Advertising, Marketing and Public Relations

Every day of the year the name Firestone reaches millions of potential customers through the combination of aggressive advertising, sales promotion, marketing and public relations programs which are discussed on the following pages.

These programs, designed to stimulate more and more people to "Buy Firestone!", include commercials on national and international sports telecasts of professional football, golf and bowling tournaments and on a wide variety of local television and radio programs; advertisements in national magazines, newspapers and trade journals; and hard-hitting sales messages through other media such as direct mail, catalogs and trade show displays.

In 1968, for instance, the \$100,000 Firestone-PBA Tournament of Champions, climax of the Professional Bowlers Association tour, and the Firestone-sponsored Championship Bowling television series were two of the most popular sports shows in the nation.

The world famous Firestone Country Club in Akron, Ohio, is the home of the American Golf Classic, which each year attracts more than 120 of golf's top players. It is also the site of the World Series of Golf, which matches the winners of golf's four prestige tournaments, the Masters, the U.S. Open, the National PGA and the British Open, competing for honors as golf champion of the year. In addition, the CBS Golf Classic television series has been played at Firestone the past three years.

The excellent coverage of these events attracts the attention of millions of TV viewers and radio listeners, as well as millions of newspaper and magazine readers.





Special merchandise and sales programs as well as attractive display materials are created, prepared and offered to all Firestone dealers and stores to back up their sales efforts.

Dealer meetings are also held each year throughout the country to keep Firestone distributors abreast of new product developments, advertising and merchandising campaigns.

Special programs to make more young people aware of Firestone quality products and services are supported by the Company. These include Future Farmers of America, 4-H, Distributive Education programs in high schools, the National Student Traffic Safety Committee, many interesting films and educational aids and booklets.

The public relations department operates to keep the public informed and aware of all the Company's activities. To accomplish this, news stories and background information on the Company, its products, programs, and

policies are supplied to a wide variety of public information media throughout the United States and in all foreign countries where Firestone plants, distributors and stores operate.

Dollars invested in these public service and promotional programs are reviewed continually to insure they are producing maximum effect in the market place.

In short, Firestone, its products and its services are being presented continuously and effectively to large audiences of present and potential customers, investors, employees and other key segments of the public.



ABOVE LEFT—Firestone is on the move! The familiar red and white sign travels to another new Firestone retail outlet. Identification plays an important role in merchandising programs.

ABOVE—Advertising and sales personnel meet monthly to plan new merchandising and sales promotion programs for stores and dealers. From left, C. J. McCrory, manager of tire sales; C. B. Ryan, director of advertising and merchandising; J. F. Faunce, manager of home and auto supply division; and G. J. Derringer, manager of trade sales.

LEFT—Dick Weber, internationally famous professional bowler, throws a strike during the Firestone-sponsored Championship Bowling television series. This show and the Firestone-PBA Tournament of Champions are two of the most popular television sports shows.



## Tire Division

### TIRES

Two revolutionary and highly advanced tire manufacturing processes were announced during the year as Firestone continued its leadership in the highly competitive tire industry.

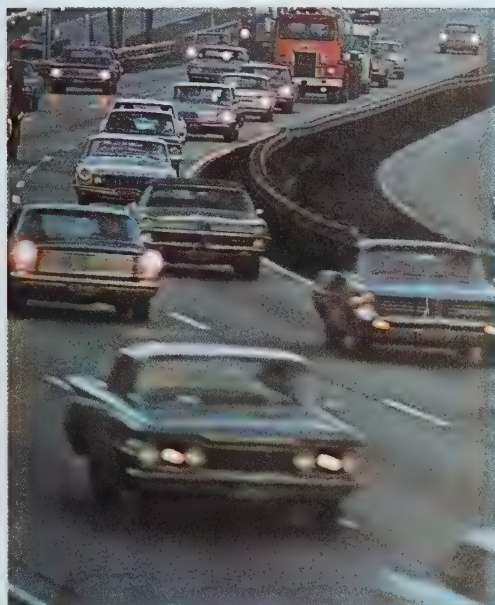
The first new process announced was the calendered sheet tread unit. This computer-controlled process involves the application of many layers of thin rubber, rolled in a continuous length around the tire body, thereby eliminating the manual application of extruded treads to tire bodies.

In an October announcement, Firestone revealed the development of an automated tire building process called the Bead and Ply Assembly system, which precisely assembles the numerous parts of the tire at many times the output of present manual methods. These two advanced systems complement each other and open new horizons in tire construction techniques.

The new plant at Albany, Georgia, designed to produce 17,000 tires per day, began production during the year. The plant utilizes several production innovations including use of the sheet tread operation; newly-designed materials handling equipment for rolls of tire cord; and a computerized process control system to detect and report deviations or needed corrections in the production process.

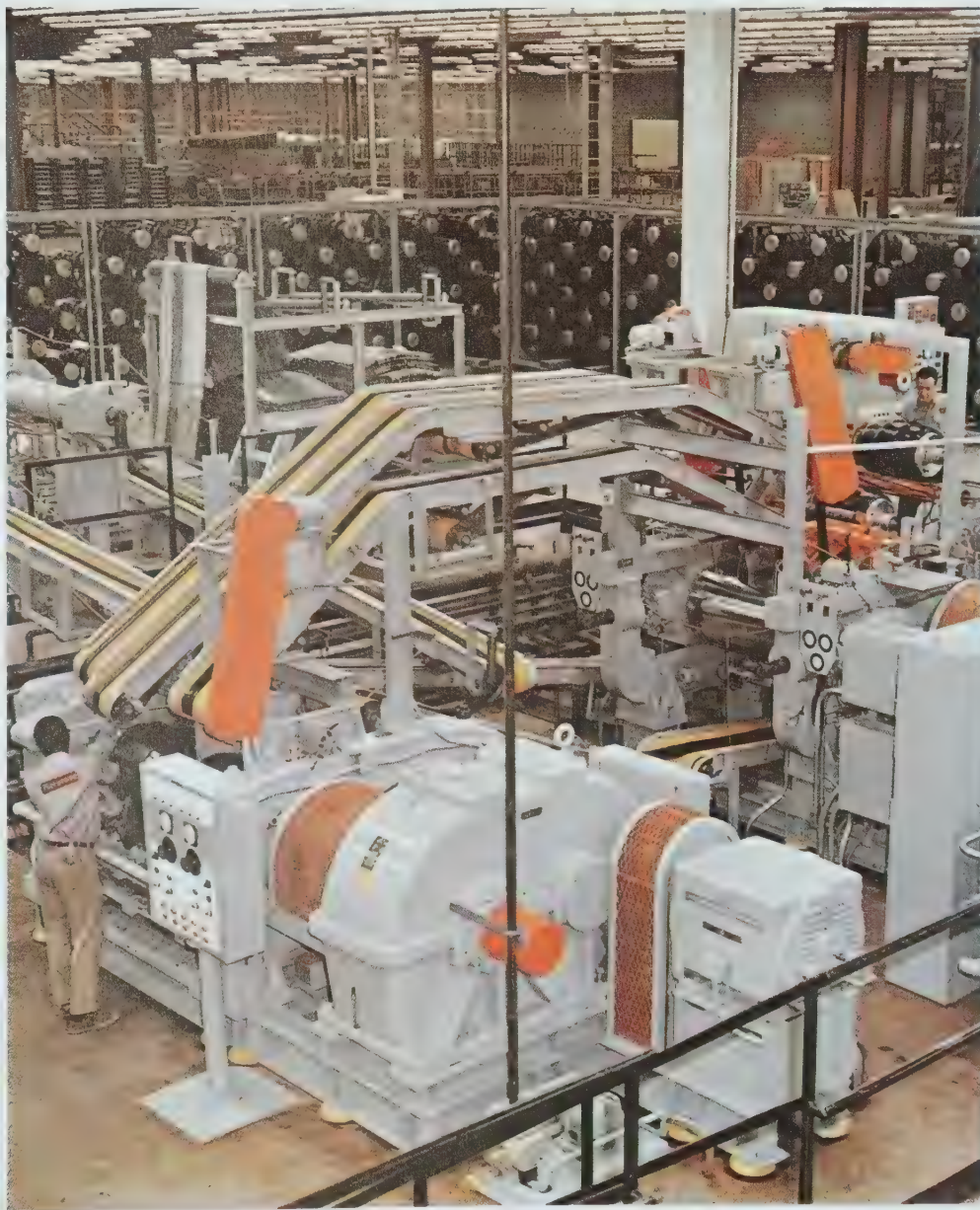
Throughout 1968 the tire division expanded production facilities; raised its already high quality standards even higher; increased efficiency and kept pace with the growing complexity of tire assembly.

Major expansions were completed at plants in Des Moines, Iowa; Pottstown, Pennsylvania; Memphis, Tennessee; Barberton and Dayton, Ohio; Hamilton, Ontario; and Joliette, Quebec. The total effect of these expansion projects added a total daily capacity of



ABOVE—As the number of vehicles on U.S. highways continued to climb, tire production reached new high levels. The rubber industry estimates it will ship 203 million tires this year, a 14 per cent increase over 1967.

RIGHT—A computer-controlled process for applying tread rubber to tire bodies was announced during the year. The calendered sheet tread unit, shown here at the Albany, Georgia, plant, applies many layers of thin rubber in continuous lengths around the tire body.





nearly 14,000 tires to the Company's already extensive tire production capabilities.

The Wide Oval Sup-R-Belt tire, which incorporates conventionally applied body plies plus belts of fiberglass fabric under the tread was introduced. This new tire construction provides longer tread wear than conventional tires and offers outstanding resistance to punctures, injuries and road hazards. The tire has many of the advantages of the radial type tire. Radial tire production was also increased during the year.

Continued emphasis was placed on quality control and safety for the motoring public. The Firestone Quality Assurance program went into effect in all tire plants. This program was designed to supplement existing statistical quality control and the Zero Defects programs. The program includes additional high speed testing equipment and continual critical analysis of finished tires.

This system is further assurance that every Firestone tire meets or exceeds all safety standards established by the U. S. Department of Transportation.

The Zero Defects program, now in its fourth year, continued to keep all employees aware of the importance of making every tire the best possible today; and tire production employees continued to submit their ideas for making our tires still better tomorrow.

During 1968, all Firestone tire plants in the United States received the U. S. Defense Department Award of Merit for participation in extending the Zero Defects concept in industry.





## DAYTON

The Dayton Tire & Rubber Company plant in Dayton, Ohio, completed its multi-million dollar expansion program and operated at capacity in an effort to meet the demand for both Dayton tires and private brand tires which it manufactures.

Several new passenger and truck tire designs have been developed and will be on the market early in 1969.

An aggressive marketing program increased Dayton's share of the domestic replacement tire market. The division also strengthened its position as a leading supplier of original equipment tires to the growing mobile home and travel trailer industries, a market which appears to be headed for vast expansion.

Local advertising campaigns and an improved dealer identification program were instituted to help dealers benefit from the increasing consumer acceptance of the Dayton tire line.

C. M. Barnes, president of the division since it was acquired by Firestone in 1961, retired November 1, after 37 years' service with Firestone. James R. Thomas, who had been vice president in charge of marketing, succeeded him as president.

## SEIBERLING

Sales and merchandising programs were highlighted by The Seiberling Tire & Rubber Company in 1968.

An accelerated national advertising program brought Seiberling to the pages of national magazines on a continuing basis. A strong back-up of local-level advertising and sales promotional programs encouraged dealer participation in retail advertising.

A large number of new Seiberling distributors was added during the year further increasing sales potential for 1969.

The Four Seasons winter tire, introduced in the fall of 1967, broke all winter tire sales records for Seiberling. Sales emphasis in the spring and summer months was on the new Super Wide Sports, a wide oval type tire, that proved appealing to tire buyers. The company's private and special brands division continued to grow.

A plant expansion program was completed to enable the plant to meet the projected increase in sales volume.

The plant also instituted the Zero Defects Program, based on employee motivation, and it is contributing to high levels of quality.



ABOVE—Displays at trade shows afford prime opportunities for sales personnel to meet with tire dealers and keep abreast of market changes in the highly competitive tire industry.

RIGHT—An artist puts the finishing touches on an advertising layout for The Seiberling Tire & Rubber Company. Magazine and newspaper advertising is an important part of marketing programs.



LEFT—The largest tires ever produced for the farm equipment industry were introduced. Nearly six feet in diameter, the giant rear tractor tires are being supplied to several manufacturers for their newest high horsepower tractors.



## DISTRIBUTION

The latest in data processing equipment and other electronically-controlled systems are being used to improve distribution and inventory management programs.

Services to customers, stores and dealers are being improved by use of new inventory management techniques which enable Firestone to produce and distribute quality products that customers want, when and where they want them.

The program also assists management by providing timely, up-to-date information regarding production and marketing.

The new system will utilize cathode ray video display units in sales offices and factory warehouses throughout the country. These units will be connected with a centralized master computer at the new Computer and Data Processing Center in Akron permitting fast transfers of information among plants and offices.

This new program will assist in significantly reducing the volume of printed records needed to distribute our millions of products and will cut the time needed for preparation of shipping documents.

Sophisticated materials handling equipment has been installed in several tire warehouses and is reducing the time required to ship products to stores, dealers, vehicle manufacturers and other customers.

The new equipment includes automated make-up trains which are programmed to move on a continuous circuit throughout the warehouse. Tires are placed on the programmed carts which then move automatically to the loading dock area and switch electronically to the correct loading gate.

Tire warehouses are maintained in all tire plants and nearly all of the Company's sales districts throughout the country.





## Retail Sales

### STORES AND DEALERS

As a result of aggressive marketing programs and improved customer services, greater volumes of Firestone products were sold in fiscal 1968 than in any other year in our history.

Firestone's 60,000 enterprising dealers and 1,000 stores comprise one of the largest retailing operations in the United States ready to serve owners of the more than 90 million cars and trucks on the roads today.

Many new dealers signed Firestone franchises during the year—17 per cent more than in 1967. To take advantage of the tremendous sales opportunities in the tire, battery, accessory and home supply markets,

many dealers are remodeling their stores and adding new locations.

Thirty-nine new Firestone stores were opened this year in strategic locations, and even greater expansion is planned in the months ahead. Two new retread shops, in Tampa, Florida, and Phoenix, Arizona, were also opened to handle the increasing volume of tire retreading business.

Emphasis was placed on selling automotive services and supplies as well as tires in all our stores. New tire selling centers and merchandising programs were added.

In the area of sales personnel, Firestone utilizes many progressive sales education and management development programs which result in highly motivated and enthusiastic sales teams in all areas of our business.

New product developments such as the DeLuxe Champion Wide Oval polyester cord tire; the Wide Oval Sup-R-Belt; and Transport 150 all-wheel truck tire helped account for the large volume of business done by our retail organization.

### HOME AND AUTO

In addition to tires, a variety of home and automotive products and services were also sold through Firestone retailers. Many dealers and stores merchandise more than 7,000 separate items—everything for the car from air filters to windshield wipers; and products for the home including large and small appliances; lawn and garden supplies; sporting goods; wheel goods; radios; television sets; and stereophonic systems.

Firestone retailers also perform complete car safety services. New records were set in 1968 in the sales of these services which are so vital to highway safety and good car performance.

As more households are established and more cars are produced, emphasis on these home and auto products and services assures Firestone retailers increased sales and earnings in 1969.



ABOVE—Representing the Company's National Dealer Advisory Council, John Antonelli (left), president, and John Kennedy, secretary, foresee excellent business prospects for 1969.

RIGHT—New tire selling aids and informed salesmen provide Firestone customers with detailed information on the Company's line of quality tires.

LEFT—Use of modern materials handling equipment, like this automated make-up train in the Des Moines, Iowa, plant warehouse, contributes to faster, more efficient warehousing and shipping operations. Tires are loaded on carts which are programmed to move automatically through the warehouse and switch to the correct loading gate.





## OFF-THE-HIGHWAY SERVICE

With continued activity in the nation's vast road building programs and other large construction projects throughout the country, Firestone's off-the-highway sales and service program is expanding accordingly. Construction activity is expected to pick up even more next year with additional tire sales potential.

Hundreds of giant tire service units, operating through Firestone stores and dealers, provide fast, low-cost, on-the-job tire service and maintenance for all types of construction equipment.

This program, an added customer service feature, relieves the contractors of tire problems by supplying necessary equipment and the technical know-how of trained servicemen. It is their job to help the contractor choose the right tire for the job and then provide care and inspection to insure long, efficient operation of the tires without costly delays or down time.

## FIDESTA

Department store tire centers continue to be an excellent channel of distribution. The Fidesta Company, Firestone's leased department stores division with headquarters in Columbus, Ohio, handles the sales of Falcon and Triumph tires, batteries and automotive products through 170 leased departments.

These outlets, located coast to coast, offer complete car service and are a special convenience to department store customers.

Sales of private brand tires are also increasing and Firestone continues as a leading supplier to this segment of the tire market.

RIGHT—Firestone continued its leadership in the original equipment market as it supplied tires to all major vehicle manufacturers.

BELOW—Firestone tires are on the job in all types of severe off-the-highway service including road building and other construction projects, logging and mining operations.









## ORIGINAL EQUIPMENT

Firestone's sales to the automotive industry include more than 600 products for cars, trucks, tractors and all other types of vehicles. These rubber, plastic, metal and other diversified products contribute to the safety, economy, smooth ride and appearance of modern vehicles.

As a tire supplier to all major vehicle manufacturers, Firestone tire sales were at high levels as motor vehicle production for January through October, 1968, was 23 per cent higher than 1967. Indications are that vehicle production in 1969 will be even higher.

During the year, Firestone remained in the forefront of original equipment tire suppliers with the introduction of the Deluxe Champion tire in the "78" series profile for some 1969 model cars. A "78" series tire with a fiberglass belt will also be made available to the Detroit car producers as optional equipment.

After extensive testing, the LXX tire has also been submitted to Detroit customers for possible use on 1970 model cars. This unique

tire, with its exceptional safety features and handling characteristics, will have increasing usage during the '70's.

The Transport Wide Oval truck tire, gaining rapidly in popularity, is being used almost exclusively on campers and other recreational vehicles made by leading truck manufacturers.

In the field of earthmoving equipment, Firestone supplies tires to all major manufacturers. The new Super Deep Tread Loader-Dozer tire in a 50.00-39 size, weighing 6,300 pounds, is the world's heaviest tire. This giant tire will be used to equip a new model earth-mover.

Firestone continues its leadership with original equipment manufacturers by providing the high quality, safe tires and many other products to meet the needs of today's fast moving transportation industry.

## MILEAGE SALES

Another important aspect of the sales picture is the Company's mileage accounts. These are large bus and taxicab fleets which lease tires on a mileage contract basis and pay for mileage used.

These large fleets rely on special purpose tires designed and tailored to their needs by Firestone. The Company produces, delivers, inspects and services the thousands of tires supplied to mileage customers.





## FIRESTONE INDUSTRIAL RUBBER PRODUCTS

Two of the diversified products divisions, the Rubber & Latex Products Company of Fall River, Massachusetts, and the Industrial Products Company in Noblesville, Indiana, were combined and reorganized during the year into the Firestone Industrial Rubber Products Company.

To keep pace with present needs and to provide for future growth, the division completed several plant expansion projects; strengthened its sales organization; improved distribution programs; increased customer services; and introduced new products.

Major new products include low pressure pneumatic tires for recreational vehicles; the unique light-weight Port-O-Weigh Scale used in the field to weigh both highway and off-the-highway vehicles; a carpet underlay for home and commercial uses; and a new line of plastic wheels for small vehicles.

Production of semi-pneumatic tires began at the plant in Newport, Tennessee.

Plans were announced for a new polyurethane foam plant in Corry, Pennsylvania. The new plant will almost double the division's production space for polyurethane foam products, used extensively by the furniture and automotive markets.

R. D. Smith retired as president of the Industrial Products Company and C. W. Rippey, formerly president at Fall River, was named president of the newly-combined operation.

## HAMILL MANUFACTURING

A continuing demand for its products required expansion at the Hamill Manufacturing Company, a major supplier of seat belts and shoulder harnesses to the auto industry. The division's manufacturing capabilities and product development facilities were increased to keep up with the demand.

A self adjusting lap belt featuring a "mini" buckle was introduced for 1969 cars and an automobile crash simulator was installed at the test facility to study passenger safety systems.

In October, Don L. Weihe, former president of the Firestone Coated Fabrics Company, was named president of Hamill Manufacturing Company. He succeeded R. G. Ligon who retired.

## ELECTRIC WHEEL

As U.S. farms become larger and more mechanized and farm equipment increases in size and horsepower, the Electric Wheel Company is keeping pace with the needs of the industry by expanding its facilities.

A new tractor rim production line, largest in the world, was put into operation and will allow a 25 per cent increase in capacity. The new line with its modern equipment also gives the division the capability to produce giant tractor rims 30 inches wide and 48 inches in diameter.

Other major additions included an automated wheel painting line and shipping and warehousing facilities.



ABOVE—Low pressure pneumatic tires for amphibious vehicles are being produced by Firestone Industrial Rubber Products Company. The light-weight vehicles, used for year around recreation, family fun and for commercial purposes, are gaining rapidly in popularity.

LEFT—Special purpose tires equip many large bus and taxicab fleets which lease the tires on a mileage contract basis.



## STEEL PRODUCTS

The introduction of new products, the opening of its first foreign plant and expansion of two other facilities highlighted the year for Firestone Steel Products Company.

The revolutionary New Concept Wheel was designed in conjunction with the tire division for the LXX tire. The styled aluminum cast wheel is radically different with diameters of 16, 17 and 18 inches, compared to conventional diameters of 13, 14 and 15 inches. The LXX rim is only three and one-half inches wide, while today's popular rims are five to seven inches wide. The unique wheel is being manufactured by the Steel Products division and will be marketed with the LXX tire.

The London, Ontario, plant began operations in June and is manufacturing rims, wheels, premix tanks, barrels and farm wagons for the expanding Canadian markets.

In Wyandotte, Michigan, an automated rim manufacturing line and a truck wheel assembly line went into operation increasing capacity and lowering production costs.

Demand for Firestone's stainless steel barrels, premix containers and color television frames, produced at the Spartanburg, South Carolina, plant, continues to grow and production of these items is increasing.

During the year the Defense Products division received a Government contract to reactivate the Ravenna, Ohio, Army Ammunition plant, a shell loading facility. Firestone has been maintaining the plant on a standby basis since its deactivation in 1957.

The loading of 155mm shells was started and facilities are being prepared for loading 40mm, 175mm and 8" shells.

Defense products also completed work on several large contracts for 90mm gun tubes, 106mm recoilless rifle tubes and chambers, and Shillelagh warheads.

## PLASTICS

The Firestone Plastics Company increased its penetration of industrial markets as new and improved products were sold to the building, automotive, luggage, shoe, paint, wire insulation and many other industries.

The new plant in Perryville, Maryland, one of the most modern and efficient in the industry, went on stream during the year. It is producing high quality polyvinyl chloride resins, plastisols, compounds and latices.

With the added capacity from Perryville and modernization programs at the Pottstown, Pennsylvania, plant completed, total production reached an all-time high in an effort to meet the heavy demand for Exon resins, Velon film and sheeting.

The division continued as a major supplier of Velon to luggage manufacturers and during the year developed a new high style material for the new '69 luggage line.

Among other new products was a light gauge rigid film, used as both a decorative and protective finish and a new facing material for automotive headliners.

With a further uptrend in housing construction forecast for 1969, the plastics division is extending its marketing programs in the building and flooring industries and looks forward to another banner year.



ABOVE LEFT—New Concept Wheel (right), designed by Steel Products division for use with the LXX tire, is compared with a standard wheel. The new rim is only three and one-half inches wide as compared with standard rims which vary from five to seven inches in width.

ABOVE—Strong, durable Exon resins and Velon sheeting from Firestone Plastics Company are supplied to the nation's leading luggage manufacturers for covers, handles and bindings. A Velon decorative strip with adhesive backing is added as the final touch.

RIGHT—Millions of yards of rayon, nylon and polyester tire cord fabric were produced by Firestone Synthetic Fibers & Textiles Company. Production of fabric was substantially increased with the opening of the modern new textiles plant in Bowling Green, Kentucky.



## SYNTHETIC FIBERS & TEXTILES

During 1968, operations of the Synthetic Fibers Company and the Textiles Company were combined into the Firestone Synthetic Fibers & Textiles Company.

The division is producing nylon resins for molding and extrusion applications; Nytelle, textile nylon for the clothing industry; nylon and polyester yarn for tire cord; and rayon, nylon and polyester tire cord.

A new Technical Center was opened at the Hopewell, Virginia, plant providing research, development and pilot production facilities for polyester and nylon yarns.

The division is supplying a new glass fiber-filled nylon resin to the automotive and appliance industries for molded items. Other Firestone nylon resins are also being used in the manufacture of synthetic turf used on sports fields.

Production of tire cord fabric was increased substantially with the opening of the Bowling Green, Kentucky, facility. Plants at Bennettsville, South Carolina, and Gastonia, North

Carolina, worked to capacity to meet growing demands for fabric from our own tire plants and from outside customers.

A new electronically-controlled unit for processing polyester and nylon fabric was installed at the Gastonia plant and a similar unit is planned for Bowling Green.

During the year, Harold Mercer retired as president of Firestone Textiles Company and Robert W. Rice was named president of the combined divisions.

## COATED FABRICS

The Fabridam collapsible dam and the Fabritank collapsible container, produced by the Coated Fabrics division, are being recognized throughout the world as the most practical and economical method of solving multiple water conservation problems, including the critical one of pollution control.

A recent installation of 15 collapsible dams in the Minneapolis-St. Paul sanitary storm drain and sewer system provides flow control and temporary storage, eliminating pollution of the Mississippi River from that source.

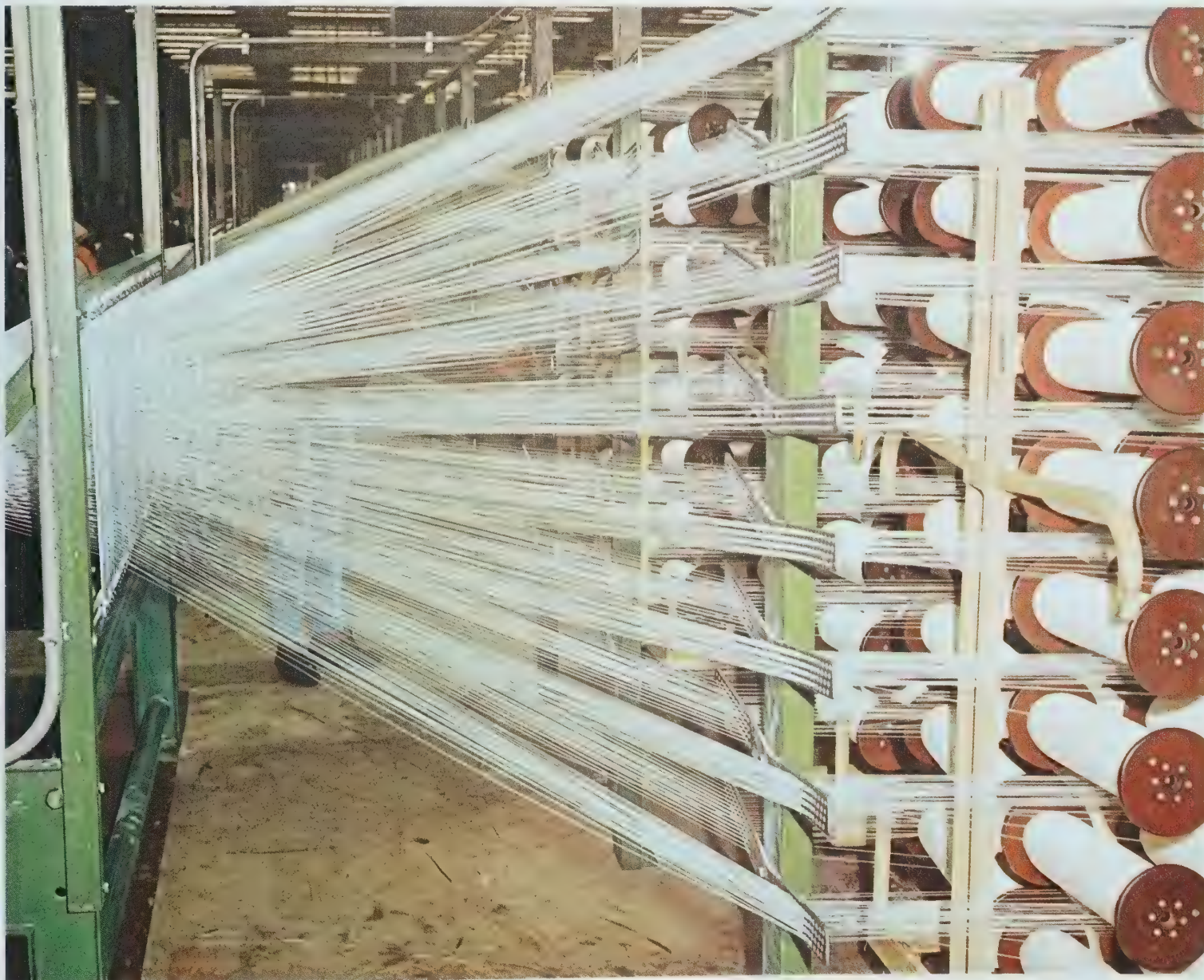
The City of Sandusky, Ohio, is using two 100,000 gallon Fabritank collapsible containers underwater in Sandusky Bay to store raw sewage, accumulated during excess flow periods, until it can be properly processed, another method of forestalling pollution of Lake Erie.

Edward J. Mara, Jr. was named president of the division succeeding Don L. Weihe.

## WORLD BESTOS

The World Bestos Company, which produces brake blocks, linings and related automotive items, continued its modernization and cost reduction programs.

Installation of new equipment and the development of improved compounds enabled the plant to produce higher quality products at lower costs.





## NATURAL RUBBER AND LATEX

Early in the year, the Firestone Natural Rubber & Latex Company was established. This division has responsibility for the operation of Firestone's plantations and for the worldwide marketing of the plantations' products.

Operations on the plantation in Ghana were started during the year. The 20,000 acres there bring to 115,200 the amount of acreage under Firestone cultivation in Liberia, Brazil, The Philippines, Ghana and the experimental plantation in Guatemala. These plantations have 75,600 acres of producing rubber trees and 39,600 acres of trees which will be ready for tapping during the next several years.

A total of 119,000,000 pounds of dry rubber and latex concentrate was processed during the year. Of the total, 92,000,000 pounds were produced on our own plantations and 27,000,000 pounds were purchased from independent growers in Liberia and The Philippines.

Use of natural latex in general manufacture, and in the carpet industry in particular,

expanded greatly and sales in the United States set new records. A strong demand for natural latex also is developing in the carpet industry in Europe.

## SYNTHETIC RUBBER AND LATEX

Production records were set during the year at all Firestone synthetic rubber plants both here and abroad as plants worked to keep up with the growing demand for synthetic rubbers.

World consumption of synthetic has more than doubled in the past 10 years from 1,583,000 tons in 1959 to an estimated 3,775,000 tons in 1968.

New uses for synthetic rubbers are constantly being developed. One of the major uses for Diene rubber is now in the manufacture of tough polystyrene plastics which are being used in the production of furniture.

The division's synthetic latex is used more and more by the carpeting industry as a resilient latex foam backing and for a new latex waffle backing for the popular indoor-outdoor carpet.

Expansion programs were completed at three of the plants. Production capacity was increased at Lake Charles, Louisiana, for Duradene, Firestone's stereo rubber used in tires. At Akron, Ohio, capacity for synthetic latex was increased to meet requirements of the carpet industry; and at Port Jerome, France, synthetic latex capacity was expanded to supply the latex foam industry in Europe.

## ADHESIVES, SEALANTS

Growing demands for adhesives and sealants in the construction, automotive, carpeting and plastics industries resulted in increased volume for the Xylos, Permalastic Products and Heveatex divisions.

A new line of packaging adhesives was introduced and new sealants for industrial applications were developed. Facilities operated at capacity to meet demands.

Emphasis on research is continuing and sales of adhesives, sealants and coatings for industrial and commercial applications are expected to increase even further next year.



ABOVE LEFT—Synthetic rubber in furniture? Diene synthetic rubber is used in making tough, polystyrene plastic, which, in turn, is used to produce high style furniture. The furniture has the appearance of rich, intricately-carved wood.

ABOVE—Natural latex flows from a tank truck into the processing plant on the Firestone plantation in Harbel, Liberia. Demand for this vital raw material continues to exceed supply.

RIGHT—Part of Firestone Europa's test fleet winds its way down a mountain road on the Adriatic coast in Italy.



## International Operations

### INTERNATIONAL

Tire markets in foreign countries are growing much faster than in the United States and Firestone is expanding to meet demands in these high volume and fast growing markets.

Today 45 per cent of the total number of vehicles in the world—90.4 million—are outside the United States and Canada. By 1977 this figure will grow to 56 per cent, or 176.3 million outside North America. With its worldwide balance in production and sales, Firestone is in an excellent position to take advantage of these growth trends.

In addition to new plants and increased production capacity, expansion is being achieved by broadening the distribution base through the addition of hundreds of new independent dealers.

During the year, Firestone International ex-

panded its sales promotion programs, retail sales training plans, advertising and store planning aids to enable dealers to take advantage of the tire sales potential.

Construction of new tire plants in Bonsaso, Ghana, and in Boras, Sweden, is nearly completed, and both plants will be open early next year.

Facilities were expanded in Alcochete, Portugal; Manila, The Philippines; Port Elizabeth, South Africa; Sao Paulo, Brazil; and Valencia, Venezuela.

Other major expansion programs, now underway in Buenos Aires, Argentina; Brentford, England; Wrexham, Wales; and Bangkok, Thailand; are scheduled for completion in 1969.

New products introduced included a new truck tire, the T-300, with a rugged extra wide tread designed for overseas operating conditions; a Town & Country Radial tire offering exceptional traction characteristics and greater mileage; and a Town & Country truck tire made especially for severe winter operations in Sweden and Switzerland.





Firestone Europa S.p.A., a management, administration, research and development center for the European area, was established in Italy. The center and a large test track will be built near Rome. In addition to the outdoor track, the test facilities will include an indoor test laboratory for complete evaluation of tires designed for the European market. This central headquarters will bring new economies in overall operations and will strengthen research, development, marketing and public relations efforts throughout Europe.

#### CANADA

Firestone Tire & Rubber Company of Canada, Limited, expanded its manufacturing and sales facilities during 1968 to keep pace with the growing transportation industry in that country.

A multi-million dollar expansion program which will increase production by 60 per cent is under way at the Calgary, Alberta, tire plant.

The increased capacity for passenger car, truck and bus tires will help the company to meet the growing needs of vehicle manufacturers and the motoring public in Western Canada. The new addition is scheduled for completion in the spring.

Other expansion and modernization programs were completed during the year at tire plants in Hamilton, Ontario, and Joliette, Quebec. The synthetic fibers and textile plant in Woodstock, Ontario, which produces nylon tire yarn and tire cord fabric, continued to operate at capacity.

New retail stores were opened bringing the total to 123. The streamlining of various sales operations improved customer services and resulted in substantial sales increases.

BELOW—An artist's conception of the new headquarters for Firestone Europa S.p.A., to be built near Rome. The new center will serve as administrative, research, development and testing headquarters for operations in Europe.





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# Firestone Domestic and Foreign Facilities

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## UNITED STATES

**ARKANSAS**  
Magnolia—Coated Fabrics and Defense Products  
Russellville—Tubes

**CALIFORNIA**  
Los Angeles—Tires, Industrial Products, Reclaim Rubber  
Salinas—Tires

**GEORGIA**  
Albany—Tires

**ILLINOIS**  
Bloomington—Tires  
Decatur—Tires  
Quincy—Wheels, Rims, Metal Products

**INDIANA**  
New Castle—Brake Lining  
Noblesville—Industrial Products, Air Springs, Defense Products

**IOWA**  
Des Moines—Tires

**KENTUCKY**  
Bowling Green—Textiles

**LOUISIANA**  
Lake Charles—Synthetic Rubber

**MARYLAND**  
Perryville—Plastic Resins

**MASSACHUSETTS**  
Fall River—Industrial Products, Foam Rubber, Elastic Thread  
Melrose—Adhesives and Sealants, Latex Compounding

**MICHIGAN**  
Almont, Bad Axe, Imlay City, Romeo, Ubley, Yale and Washington—Seat Belts, Shoulder Harnesses  
Detroit—Adhesives and Sealants  
Wyandotte—Wheels, Rims, Metal Products

**NEW JERSEY**  
Trenton—Adhesives and Sealants  
West Caldwell—Plastic Products

**NORTH CAROLINA**  
Gastonia—Textiles

**OHIO**  
Akron—Tires, Adhesives, Latex Compounding, Defense Products, Reclaim Rubber, Synthetic Rubber and Latex, Research Laboratory  
Barberton—Tires  
Columbiana—Tire Proving Ground  
Dayton—Tires  
\*\*Ravenna—Army Ammunition Plant

**PENNSYLVANIA**  
Corry—Urethane Foam  
Pottstown—Tires and Tubes, Plastic Products, Plastic Resins, Synthetic Rubber

**SOUTH CAROLINA**  
Bennettsville—Textiles  
Spartanburg—Wheels, Rims, Metal Products

**TENNESSEE**  
Memphis—Tires, Reclaim Rubber  
Milan—Urethane Foam  
Newport—Semi-Pneumatic Tires, Wheel Assemblies

**TEXAS**  
Fort Stockton—Tire Proving Ground  
Orange—Synthetic Rubber, Butadiene

**VIRGINIA**  
Hopewell—Synthetic Fibers, Plastic Resins, Technical Center

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## FOREIGN

**ARGENTINA**  
Buenos Aires—Tires and Tubes, Textiles, Reclaim Rubber

**AUSTRALIA**  
Brisbane—Tires, Industrial Products  
Melbourne—Industrial Products  
Perth—Tires  
Sydney—Tires, Industrial Products, Foam Rubber, Urethane Foam, Plastics

**BRAZIL**  
Rio de Janeiro—Tires and Tubes  
Sao Paulo—Tires and Tubes, Textiles, Reclaim Rubber

**CANADA**  
Calgary, Alberta—Tires and Tubes  
Hamilton, Ontario—Tires and Tubes  
Joliette, Quebec—Tires and Tubes  
London, Ontario—Metal Products  
Midland, Ontario—Seat Belts, Shoulder Harnesses, Metal Products  
Woodstock, Ontario—Textiles, Synthetic Fibers

**COSTA RICA**  
San Jose—Tires and Tubes

**FRANCE**  
Bethune—Tires and Tubes  
Port Jerome—Synthetic Rubber  
\*Saint Nabord—Synthetic Fibers

**GHANA**  
Bonsaso—Tires and Tubes

**GREAT BRITAIN**  
Brentford—Tires and Tubes, Industrial Products  
Wrexham—Tires and Tubes

**INDIA**  
\*Bareilly—Synthetic Rubber, Butadiene, Styrene  
Bombay—Tires and Tubes

**ITALY**  
Bari—Tires and Tubes

**JAPAN**  
\*Osaka—Tires and Tubes

**LIBERIA**  
Cavalla—Rubber Purchasing and Preparation  
Harbel—Rubber Purchasing and Preparation

**MALAYSIA**  
Butterworth—Rubber Purchasing and Preparation  
Kuala Lumpur—Rubber Purchasing and Preparation

**MEXICO**  
\*Mexico City—Tires and Tubes

**NEW ZEALAND**  
Christchurch—Tires and Tubes

**NORWAY**  
\*Askim—Tires and Tubes

**PORTUGAL**  
Alcochete—Tires and Tubes

**REPUBLIC OF THE PHILIPPINES**  
Manila—Tires and Tubes

**SINGAPORE**  
Singapore—Rubber Purchasing and Preparation

**SOUTH AFRICA**  
Port Elizabeth—Tires and Tubes, Industrial Products, Reclaim Rubber

**SPAIN**  
\*Bilbao—Tires and Tubes, Textiles, Foam Rubber, Industrial Products, Metal Products, Reclaim Rubber  
\*Burgos—Tires and Tubes

**SWEDEN**  
Boras—Tires and Tubes  
Tvaaker—Industrial Products  
Viskafors—Tires and Tubes, Industrial Products

**SWITZERLAND**  
\*Pratteln—Tires and Tubes

**THAILAND**  
Bangkok—Tires and Tubes

**TUNISIA**  
Bizerte—Tires and Tubes

**URUGUAY**  
\*Montevideo—Tires and Tubes

**VENEZUELA**  
Valencia—Tires and Tubes

**WEST GERMANY**  
\*Hamburg—Tires and Tubes, Industrial Products, Reclaim Rubber

## RUBBER PLANTATIONS

**BRAZIL**  
Ituberá

**GHANA**  
Bonsaso

**GUATEMALA**  
Retalhuleu—Experimental Plantation

**LIBERIA**  
Cavalla  
Harbel

**REPUBLIC OF THE PHILIPPINES**  
Makilala

**\*Firestone Associated Factory**

**\*\*Operated for U.S. Government**





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# FIRESTONE NEWS SERVICE

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FOR IMMEDIATE RELEASE

*file*

(1969)

AKRON, May 27--The Firestone Tire & Rubber Company today reported new all-time sales records for both the first half and the second quarter of its current fiscal year.

Raymond C. Firestone, chairman, and Earl B. Hathaway, president, said sales in the six months ended April 30, 1969, rose to \$1,058,670,135, a 5.7 per cent increase over the \$1,001,117,472 total for the comparable period of the year earlier.

Sales in the February-April quarter totaled \$569,738,101, an increase of 5.9 per cent over the \$538,145,323 of last year.

Net income of \$50,571,733 was the second highest in the history of the company for the first half of a fiscal year, although 6.7 per cent below the record performance in the same period of 1968, Firestone and Hathaway said. Income in the second quarter totaled \$30,245,094, down 5.0 per cent from the \$31,841,308 of last year.

Earnings per share of common stock were \$1.73 for the half, compared with \$1.84 last year.

Net income from domestic diversified products divisions and overseas operations was higher than last year. However, profit from United States tire divisions was reduced by increased raw material and manufacturing costs on new product lines.

(more)







"We anticipate a continuation of record sales with increased earnings for the remainder of the year," the Firestone officers said.

"We are continuing to broaden our product lines in all areas in which we operate--rubber, plastics, metal products, fabrics and chemicals--to take advantage of these rapidly expanding opportunities.

"The replacement passenger tire market alone this year could reach 130 million units, a 7 per cent increase over last year and almost double the number sold only 10 years ago. Our new tire lines were developed to cover this market, as well as to fit the needs of the makers of new vehicles."

end

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